INCLUSIVE GREEN FINANCE (IGF) WORKING GROUP

A platform for policymakers to provide policy leadership and regulatory guidance related to inclusive green finance.

AFI’s seventh working group was officially launched and had its first meeting at the 2019 AFI Global Policy Forum in Kigali, Rwanda.
KEY OBJECTIVES

> Provide policy leadership and regulatory guidance on Inclusive Green Finance (IGF);

> Create an enabling environment for IGF amongst its members;

> Create a common understanding of the topic of IGF by sharing experiences and building a taxonomy of inclusive green finance policies and regulations;

> Conduct research and analysis of financial sector regulation, policies and strategies that have a positive impact on the adaptation and mitigation of climate change;

> Stimulate discussion and learning on new developments and good practices on IGF amongst policymakers through the exchange of experiences;

> Provide a platform for capturing, tracking and sharing information on innovative IGF products, business models and updated appropriate policy responses; and

> Establish linkages and provide inputs, where appropriate, to global networks working in the area of green finance and sustainable financial inclusion, seeking to benefit from and contribute to the growing body of knowledge and best practice in this area.
PLANNED ACTIVITIES

> Promotion of IGF to the Private Sector Subgroup
The private sector presents an enormous opportunity for scaling up climate action through transitioning to a sustainable economy and supporting a myriad of small to medium sized businesses and value-chains. The subgroup will develop a Special Report based on the regulators’ experience in promoting inclusive green finance to the private sector.

> The role of Central Banks in greening the financial sector
Provision policies help a government ensure that financial services are provided to qualified beneficiaries. The Subgroup is developing a Special Report on the role of Central Banks in greening the financial sector through provision policies with strong focus on key learnings, challenges and strategies for mandating green provision policies. This report would explore the issuing of green bonds for financing SMEs.

> Climate Risk Insurance for the Agriculture Sector Subgroup
Parametric insurance or weather index insurance for farmers, and microinsurance for those without traditional insurance, provide a buffer against extreme weather events and volatility. For smallholder farmers, insurance provides the security to make the types of investments and production choices that increase agricultural productivity. The subgroup will develop a Case Study based on the Central Bank of Armenia intervention: subsidizes the cost of insurance policies for agricultural insurance products, depending on the risk and the crop.

IGF IN OTHER AFI WGs

> Inclusive Green Finance and SMEs Finance (SMEF WG)
Financial regulators increasingly acknowledge that they have an important role to play in supporting MSMEs in adaptation and mitigation efforts. The SMEFWG subgroup is about to publish a stock take of the policies that AFI members have enacted for MSMEs in the context of climate change, potentially to be followed by guidance for regulation in this field.

> IGF in National Financial Inclusion Strategies (FISPLG)
Developing and emerging countries feel the effects of climate change the most; climate change increases financial exclusion and is among the greatest barriers to financial stability and poverty alleviation. The FISPLG subgroup will work on a Guideline Note on integrating inclusive green finance into national financial inclusion strategies, a guideline for AFI member and for capacity building of AFI member institutions.

> IGF and Financial Inclusion Data (FID WG)
Is well known the role of data in financial regulation and policy making. FIDWG members work on an effort to design a set of questions that could be integrated in the Demand Side Surveys regarding inclusive green finance.
MEMBER INSTITUTIONS

CHAIR
- Central Bank of Egypt

CO-CHAIR
- Reserve Bank of Zimbabwe
- Da Afghanistan Bank
- Banco Nacional de Angola
- Bangladesh Bank
- Insurance Development and Regulatory Authority Bangladesh
- Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO)
- Royal Monetary Authority of Bhutan
- Banque de la République du Burundi
- National Bank of Cambodia
- Banque Centrale du Congo
- Superintendencia General de Entidades Financieras de Costa Rica (SUGEF)
- Ministère de l’Économie et des Finances de la Côte d’Ivoire
- Superintendencia de la Economía Popular y Solidaria de Ecuador
- Central Bank of Egypt
- Banco Central de Reserva de El Salvador
- Reserve Bank of Fiji
- Central Bank of The Gambia
- Bank of Ghana
- Banque Centrale de la Republique de Guinée
- Central Bank of Jordan
- Retirement Benefits Authority of Kenya
- SACCO Societies Regulatory Authority (SASRA) Kenya
- Maldives Monetary Authority
- Comisión Nacional Bancaria y de Valores de México (CNBV)
- Financial Regulatory Commission of Mongolia
- Bank Al-Maghrib